



IRAQ Status Report

U.S. DEPARTMENT OF STATE
Bureau of Near Eastern Affairs
Iraq Policy & Operations Group

A BIWEEKLY REVIEW OF DEVELOPMENTS IN IRAQ

UNCLASSIFIED

AUGUST 4, 2011

KEY DEVELOPMENTS

- [CoR Approves Cabinet Reduction](#)
- [Security Council Extends UN Mission in Iraq](#)
- [KRG President Barzani's Mother Passes Away](#)
- [Hess Acquires Oil Contract in Iraq](#)
- [Iraq's Car Factory Shows Road Ahead for Industry](#)
- [World Music Day Concert Packs Baghdad's National Theater](#)
- [Spotlight on PRT Dhi Qar](#)
- [Consulate General Basrah Continues Provincial Engagement in Southern Iraq](#)

ADDITIONAL UPDATES

- [Economic Data](#)
- [Other Headlines](#)

Politics and Diplomacy

CoR Approves Cabinet Reduction: Iraq's Council of Representatives (CoR) has approved the first phase of Prime Minister Nuri al-Maliki's plan for downsizing his cabinet from 43 to 29 ministers in an effort to meet popular demands for more efficiency and better basic services. Maliki made a rare appearance before the Iraqi parliament on July 30 to defend his proposal to the CoR. "The parliament voted to cancel all ministries of state without portfolio, except three," Sadiq al-Rikabi, a lawmaker and top aide to Maliki said. Maliki said the second phase of his proposed plan would merge ministries that were carrying out similar work, such as those for agriculture and irrigation. Maliki sent a letter to the Members of Parliament outlining his proposals on July 13, noting that the size of the government had become "a burden" on government work and the country's budget. ([AFP](#); [Reuters](#))

Security Council Extends UN Mission in Iraq: The United Nations Security Council unanimously extended the mandate of the United Nations Assistance Mission for Iraq (UNAMI) for another year on July 28, 2011. The resolution emphasized that Iraq's security situation had improved, but while progress has been made, noted the need for further progress on the humanitarian, human rights, and political fronts. According to the resolution, all communities in Iraq should be involved in the political process, refrain from statements or actions that aggravate tensions, and reach "a comprehensive solution on the distribution of resources." ([UN News Centre](#))

KRG President Barzani's Mother Passes Away: Hamayl Khan, the mother of Kurdish Regional Government President Massoud Barzani passed away at the age of 85 on July 27, after a long struggle against cancer. Spokesman Fouad Hussein says a three-day mourning period will be observed in the three northern provinces that make up Iraq's Kurdish region. President Talabani said during the funeral that "the late Lady had an important role in the Kurdish people's struggle." The funeral was attended by government officials from all over Iraq, along with politicians and party members. U.S. Ambassador to Iraq James F. Jeffrey offered his condolences in a statement to Barzani's family, calling Hamayl a "historic and nurturing figure." ([AP](#); [Aswat al-Iraq](#))

Economic Activity

Hess Acquires Oil Contract in Iraq: Hess Corp. announced that it signed production-sharing contracts with the Kurdistan Regional Government through a partnership with Petroceltic International PLC on July 27. The deal involves the Dinarta and Shakrok exploration blocks located northeast of Erbil. Each contract has a three-year exploration period for seismic surveys and at least one exploration well. "This expansion into Kurdistan is a good strategic fit for our global portfolio and offers a material opportunity to grow our reserves and production," Greg Hill, president of worldwide exploration and production for Hess, said in a statement. ([UPI](#))

Iraq's Car Factory Shows Road Ahead for Industry: The State Company for Automotive Industry, Iraq's state-owned car assembly plant established in 1976, lay idle from 1991 until 2005 when a series of contracts helped restart work at the plant. It signed a \$42 million contract with Volkswagen's Swedish brand Scania in 2008 to assemble 500 trucks and has also entered into deals with Germany's Mercedes-Benz and French carmaker Renault to assemble vehicles. In May, another contract with Scania was won to assemble 5,000 trucks and buses over a five-year period, with an annual production target of 800 vehicles. As part of the agreement, Iraq will manufacture some parts, such as tires and batteries, locally. In an effort to revive the industrial sector, the Government of Iraq has invested \$2 billion over the past three years into some of its 260 factories, owned by 76 firms. ([Reuters](#))

Culture and Society

World Music Day Concert Packs Baghdad's National Theater: On July 7, Embassy Baghdad's Cultural Affairs Section co-sponsored Iraq's first-ever World Music Day concert with the Iraqi Ministry of Culture. The event was held at the National Theater of Iraq; among the audience were representatives of Baghdad's diplomatic community as well as international and local media. Deputy Minister of Culture Fawzi al-Atroushy delivered remarks on behalf of the Government of Iraq (GOI). He thanked the U.S. Embassy for a grant from the Public Affairs Section (PAS) which made the event possible. The concert featured a range of international musical genres: classical music from the Iraqi National Symphony Orchestra; flamenco guitar from Sarmad Shaheed; Ishtar, a female Iraqi folk group; the Armway Ud band, an Iraqi male folk group; and Smashing Hits, a local rap group inspired by contemporary American music. The World Music Day concert was the biggest event in a year-long effort encompassing music, art,

film, literature, and sports in all 18 of Iraq's provinces. In September, a special single-country International Visitor Leadership Program for cultural leaders will further strengthen the cultural partnership between the U.S. and Iraq. **(NEA-I; Embassy Baghdad)**

Spotlight on PRT Dhi Qar

At the foot of the Ziggurat of Ur, PRT Dhi Qar held its closing ceremony at dusk on June 8, 2011. The last of Iraq's remaining coalition PRTs, PRT Dhi Qar drew its leadership from the Italian Ministry of Foreign Affairs, with support from the Department of State and Iraqi national staff. The PRT made its mark with innovative, sustainable programs in public health, agriculture, cultural heritage and governance.

PRT Dhi Qar's successful health care programs garnered such respect that they caught the eye of the Iraqi Ministry of Health. The Ministry issued a formal request for a "twinning" and in July, Nasiriyah General Hospital and Rome's San Filippo Neri Hospital signed a three-year partnership agreement to ensure continued collaboration in fields such as oncology, neurosurgery, and orthopedics. For nearly four years, the PRT's Mittica Training Center hosted its Mobile Surgery Unit (MSU) for training, screenings and hundreds of surgeries, including projects such as Smile Train Team which specialized in reconstructive treatment after serious burns and surgery for cleft palates. As the PRT was preparing to close, it successfully transferred the MSU to Nasiriyah General Hospital where it is being utilized as a dedicated surgery room for the emergency ward.

PRT Dhi Qar provided women with training in poultry, furniture making, ceramic production, and provided vocational training to handicapped women. The items produced during training were then sold at market to provide income for the trainees. After learning that Dhi Qar Province had documented 40 honor killings in the first seven months of 2010, the PRT mobilized local police, sheikhs, and mullahs for a public Ramadan campaign to explain that honor killings were not sanctioned under Islam. Construction engineers on PRT Dhi Qar's staff designed education programs in electrical, mechanical, and civil engineering and then provided training throughout the province to other engineers, government officials, and interested residents. After a year of instruction for trainers and teachers at the Mittica training facility, English language lab equipment was transferred to the DG of Education for teacher training. The agriculture sector received a boost from PRT projects such as: the promotion of salt and drought tolerant oil seed crops; integrated pest management; and the introduction, supplying, and training of date palm farmers on artificial pollinators. Additionally, the introduction and planting of Buttonwood trees around Nasiriyah General Hospital benefitted the community by absorbing brackish water and mitigating sand and dust storms.

In cooperation with the Iraqi State Board of Antiquities and Heritage, PRT Dhi Qar supported significant archaeological training and programs. The PRT's U.S. military partners donated maps and aerial photography of a dig site at Abu Tabairah, allowing a multi-national team to conduct a topographical survey and collect pottery to date the site. Once excavation begins, officials expect the site to yield a temple and palace complex dating to about 2000 BC. The U.S.

and the Italians plan to build on this relationship with continuing support to the State Board of Antiquities office in Dhi Qar. **(PRT Dhi Qar; NEA/I/PRT/T)**

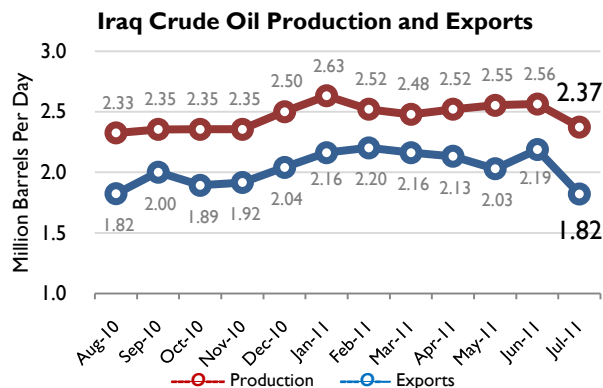
Consulate General Basrah Continues Provincial Engagement in Southern Iraq

Consulate General Basrah re-opened with a flourish on July 5 after a 63-year hiatus. Briefly the United States' newest diplomatic mission (Consulate General Erbil usurped that title 5 days later), the Consulate hit the ground running. Following the official closure of PRT Basrah and the other PRTs in the provinces (Muthanna, Dhi Qar, and Maysan) that make up CG Basrah's consular district, Consul General Piper Campbell and her staff met with outgoing PRT leaders from those provinces to ensure a smooth turnover of responsibilities. As envisioned under Embassy Baghdad's Provincial Engagement Strategy, the blueprint for maintaining sub-national relationships after the closure of PRTs, engagement with local officials on politics, economy, and security will be at the heart of Consulate General Basrah's efforts. **(CG Basrah; NEA/I/PRT/T)**

Current Economic Indicators

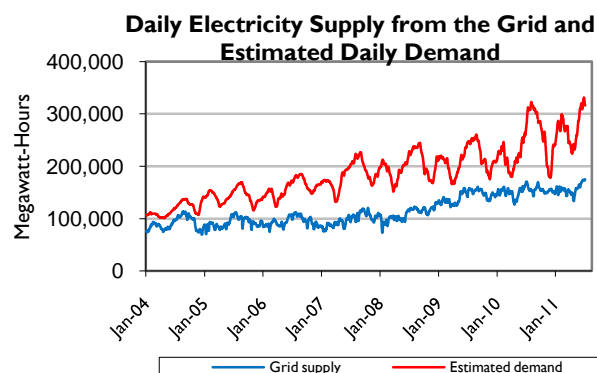
Crude Oil Average Closing Prices (July 18 – July 29)

Basrah Light \$112.89/bbl || Dated Brent \$117.39/bbl || WTI Cushing \$97.92/bbl || Oman/Dubai \$111.66/bbl



2010 Oil Revenue: \$51.4 Billion (est)

2011 Oil Revenue: \$37 Billion (est)



Supply of electricity from the grid July 13-19 was 13% above 2010 and met 52% of estimated demand compared with 51% for the year-earlier period.

Source: Department of State, NEA/I Economics Section, NEA-I-ECON-DL@state.gov

Other Headlines

Ministry of Oil Signs MoU with Italian Investors for Karbala Refinery (July 26, [Aswat al-Iraq](#))

USF-I Transfers Camp Cropper to Iraqi MoJ (July 16, [Alsumaria](#))

CoR Holds Second Reading of Journalists Protection and Sports and Youth Ministry's Laws (July 13, [Aswat al-Iraq](#))

For additional information, please see:

- **Department of State, Iraq Status Reports**
<http://www.state.gov/p/nea/rls/rpt/c28010.htm>
- **Department of State, Section 1227 Report on Iraq**
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- **Department of Defense, Section 9010 Measuring Stability and Security in Iraq**
http://www.defenselink.mil/home/features/Iraq_Reports/index.html
- **Central Intelligence Agency, World Factbook**
<https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>

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